



When it comes to aged care, the right advice can make a difference

# Challenger CarePlus

**Whether considering options for yourself, or deciding how best to help your loved ones, a transition into aged care can be a difficult and often emotional process.**

The uncertainty surrounding where to move, how much it will cost and where the money will come from can be overwhelming.

While a financial adviser can't remove the emotional aspect of the process, they can help guide you through some of the complex financial elements so you can make an informed decision.

One option for managing cash flow, aged care costs and estate planning is Challenger's CarePlus (CarePlus).

## About Challenger CarePlus

CarePlus is an innovative aged care solution designed to provide peace of mind and security for the care recipient and their family.

It provides guaranteed monthly payments for the life of the investor to help cover the costs of aged care and living expenses. Upon death, 100%<sup>1</sup> of the amount invested is paid to nominated beneficiaries or the estate, providing certainty and control over estate planning.

Here's what you will receive:

- guaranteed monthly payments for life;
- 100%<sup>1</sup> guaranteed death benefit payable to the nominated beneficiary(ies) or estate; and
- potential increase in Age Pension and a reduction in aged care costs.

Who is CarePlus suitable for?

CarePlus is designed for people receiving, or planning to receive, Government-subsidised aged care services (including both home and residential care), or who are living in an approved residential aged care facility. The minimum investment in CarePlus is \$10,000.

Guaranteed regular payments for life

CarePlus provides a guaranteed and secure source of income for the life of the investor, regardless of how long they live.

These regular payments can be used to help cover ongoing aged care fees and living expenses for the care recipient.

Certainty and control over estate planning outcomes

CarePlus provides the investor with the comfort of knowing that Challenger will pay 100%<sup>1</sup> of the amount invested to their nominated beneficiary(ies) or estate upon their death.

Investors can nominate a single beneficiary or multiple beneficiaries to receive the lump sum amount in equal or specified proportions.

The lump sum amount can generally be paid to the beneficiary(ies) or estate within two days, once all requirements are met.

<sup>1</sup> Residents of South Australia will receive 100% of the amount invested less the amount of stamp duty initially paid by Challenger.

May increase Age Pension and reduce the costs of aged care

After investing in CarePlus, any Age Pension you receive may increase and the amount you pay for aged care may reduce. CarePlus achieves this because:

- when you invest in CarePlus, you receive an instant reduction in the amount of your assessable assets considered for the Age Pension assets test; and
- only part of the income you receive each year from CarePlus is assessable income for the Age Pension income test.

Your assessable assets and income are also what partly determine the costs of Government-subsidised care. So a reduction in your assessable assets and income may also reduce the amount you pay for aged care.

## How Challenger guarantees payments

Challenger CarePlus is guaranteed by Challenger Life, a Life Company regulated by the Australian Prudential Regulation Authority (APRA). APRA is the authority that regulates the banking, insurance and superannuation industries.

Challenger Life is subject to detailed legislative and regulatory requirements designed to ensure that your investment is kept safe. APRA continuously monitor our investments with the aim of ensuring that we can meet the promises that we have made to you both now and into the future.

When you invest in CarePlus, your capital investment goes into a fund along with the capital received from other investors. This fund is known as the statutory fund, and all regular payments and death benefits

payable to our investors are paid from this fund. We are also required by APRA to invest our own money into the fund. This statutory fund is required to hold enough capital to withstand a one in 200-year investment market shock event.

If at any time we do not achieve investment returns that are sufficient to cover all the promises that we have made to our investors, we must cover the shortfall from the money we have invested in the fund.

## About Challenger

Challenger Life is Australia's largest provider of annuities and provides regular income to thousands of customers. We're a multi-award-winning Life Company and have \$19 billion in assets under management (as at 30 June 2019).

## Why Challenger CarePlus?



Guaranteed regular payments for life to help pay aged care costs



Certainty and control over estate planning outcomes



May increase Age Pension and reduce the costs of aged care

To find out more about CarePlus, including the risks of investing and how Challenger invests its money, please read the Product Disclosure Statement (PDS).

You'll find it at [challenger.com.au](http://challenger.com.au) or by calling **13 35 66**.

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Challenger Life is not an authorised deposit-taking institution for the purpose of the *Banking Act 1959 (Cth)*, and its obligations do not represent deposits or liabilities of an authorised deposit-taking institution in the Challenger Group (**Challenger ADI**) and no Challenger ADI provides a guarantee or otherwise provides assurance in respect of the obligations of Challenger Life. **Accordingly, unless specified otherwise, the performance, the repayment of capital and any particular rate of return on your investments are not guaranteed by any Challenger ADI.**

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